

Federal Deposit Insurance Corporation

§ 346.6

a corporation, partnership, sole proprietorship, association, foundation or trust which is organized under the laws of the United States or any state thereof, and:

(1) Whose securities are registered on a national securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System; or

(2) Has annual gross revenues in excess of \$1,000,000 for the fiscal year immediately preceding the initial deposit.

(u) *Person* means an individual, bank, corporation, partnership, trust, association, foundation, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, or any other form of entity.

(v) *Immediate family member of a natural person* means the spouse, father, mother, brother, sister, son or daughter of that natural person.

[44 FR 40060, July 9, 1979, as amended at 49 FR 49620, Dec. 21, 1984; 54 FR 14066, Apr. 7, 1989; 59 FR 60706, Nov. 28, 1994; 61 FR 5674, Feb. 14, 1996]

Subpart B—Insurance of Deposits

§ 346.2 Scope.

(a) This subpart B implements the insurance provisions of section 6 of the International Banking Act of 1978 (12 U.S.C. 3104). It sets out the FDIC's rules regarding deposit activities requiring a State branch to be an insured branch; deposit activities not requiring a State branch to be an insured branch; procedures for a State branch to apply for an exemption from the insurance requirement; and, depositor notification requirements.¹ It sets out the FDIC's policy regarding the operation of insured and noninsured branches, whether State or Federal, by a foreign bank and it provides that any branch has the option of applying for insurance.

(b) Any application for insurance under this subpart should be filed in

¹Sections 346.4, 346.5, 346.6 and 346.7 do not apply to a Federal branch; the Comptroller of the Currency's regulations establish such rules for Federal branches. Federal branches deemed by the Comptroller to require insurance must apply to the FDIC for insurance.

accordance with part 303 of the FDIC's Rules and Regulations.

§ 346.3 Restriction on operation of insured and noninsured branches.

The FDIC will not insure deposits in any branch of a foreign bank unless the foreign bank agrees that every branch established or operated by the foreign bank in the same State will be an insured branch; *Provided*, That this restriction does not apply to any branch which accepts only initial deposits in an amount of \$100,000 or greater.

§ 346.4 Insurance requirement.

General rule. Except as provided in § 346.5 or § 346.6, a foreign bank shall not establish or operate any State branch which is not an insured branch whenever:

(a) The branch is engaged in a domestic retail deposit activity; and

(b) The branch is located in a State which requires a bank organized and existing under State law to have deposit insurance whenever the bank accepts deposits from the general public. A State requirement is one imposed by statute or by State banking department regulation or policy.

[44 FR 40060, July 9, 1979, as amended at 54 FR 14067, Apr. 7, 1989]

§ 346.5 Branches established under section 5 of the International Banking Act.

A foreign bank may operate any State branch as a noninsured branch whenever the foreign bank has entered into an agreement with the Board of Governors of the Federal Reserve System to accept at that branch only those deposits as would be permissible for a corporation organized under section 25(a) of the Federal Reserve Act (12 U.S.C. 611 *et seq.*) and implementing rules and regulations administered by the Board of Governors (12 CFR part 211).

§ 346.6 Exemptions from the insurance requirement.

(a) *Deposit activities not requiring insurance.* A state branch will not be deemed to be engaged in a domestic retail deposit activity which requires the branch to be an insured branch under § 346.4 if initial deposits in an amount